

Darrin Baines

between the lines

Anti-branding attack

Official Government warning – healthcare systems can seriously damage the health of your brands

All good products are branded. Excellent products are branded well. From the consumer's perspective, strong brands equate to an enjoyable experience, guaranteed quality and the meeting of a personal need. For companies, strong brands will produce the profits they deserve. Therefore, companies that do not create strong brands do so at their peril.

The process of branding should not stop when products are launched. Brands should be managed and grown like any other investment. If your product loses its brand identity, its value will diminish.

In spite of the obvious benefits of branding, health systems often – knowingly and unknowingly – destroy the identities of the products that their patients use.

For example, the comparison of branded products with others in the same 'drug class' effectively kills their uniqueness. By comparing your own brands with lesser medicines, the administrators of health systems can dilute their unique profiles and change the general perception of their associated values.

Beware of anti-branding; it can seriously damage your products and your profits.

New brand stigma

Healthcare systems participate in three forms of anti-branding behaviour.

Firstly, branded medicines are compared with other products at launch, which diminishes their brand identity and hides from prescribers and patients their unique ability to meet particular needs.

Secondly, once a product has been launched, counter-detailing activities by health service employees undermine brands by claiming that cheaper, equally effective alternatives are available.

Finally, when a patent expires, efforts to promote chemically equivalent, generic substitutes suggest that no gains in safety, compliance or other benefits are to be gained from the original, branded drug.

Although these anti-branding strategies are routinely used by healthcare systems the consequences of their use are rarely examined. It is easy for administrators to ignore the benefits that branding creates, stigmatising the branding process as a commercial trick used by drug companies to manipulate prescribers and to artificially inflate the profits they make.

However, if they understood the true purpose and effects of branding, they would have to change their minds about the benefits this sophisticated marketing technique can bring.



This little piggie went to...

Not wanting to teach any grandmothers to suck eggs, but branding is an exact science that follows three fundamental laws.

Firstly, every brand should be built around market segments, not just product attributes.

Secondly, the branding process should equate product characteristics with experiences and needs in the minds of consumers.

Finally, competition from other brands should be welcomed as a means of expanding demand in new niches, helping the first product to improve sales.

However, if you have an unfocused product which does not deliver its promised benefits, branding will do little to secure sales in the long-term. Branding simply puts the icing on the cake, it cannot replace the cake itself.

Subconscious suggestion

Although healthcare personnel participate in numerous anti-branding activities, they are often unaware that they are doing so.

For example, does NICE realise that its evaluation process destroys brands? By comparing a branded drug with other products (or with non-drug interventions), its evaluation process assumes that branding delivers no real benefits.

By evaluating medicines on pre-launch data designed to control for the effects of branding, NICE could fail to recommend products whose strong branding produces superior patient outcomes once outside of the idealised conditions of a clinical trial.

Therefore, this form of anti-branding could lead to lower compliance, greater medicines wastage and a reduction in the cost-effectiveness of NHS funds.

Money, money, money

New brands are usually more expensive than existing products. Healthcare administrators, therefore, equate branding with high prices, thus branding must inflate prices. But we all know that new drugs cost more because of R&D and launch costs. ►

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► However, if patents were extended, new drugs would be considerably cheaper, as the initial costs of development and market entry could be spread over more years.

Therefore, it is Government policy, not branding, that inflates the prices of new, branded pharmaceuticals.

Flaming success

In markets where thousands of medicines are produced and sold each year, strong brands are indispensable for prescribers and patients.

Without branding, drug selection would be harder as the medical names of drugs are difficult to recall. In theory, therefore, branding may make prescribing a less complicated task and lead to fewer mistakes.

As more brands are gradually undermined, patients will suffer. Instead of being certain about their medicines, patients will be taken on a magical mystery tour where they have no idea of which version of a drug they will be prescribed or dispensed. As a result, compliance rates and trust in drugs will suffer.

Therefore, anti-branding translates into reduce benefits and certainty for patients.

Divide and conquer

Most health systems attempt to control expenditure on branded products through strategies for discouraging their use.

The PR initiatives launched by drug companies are often countered by missives from the health service, desperate to stay within the limited drug budgets.

As a result, there is often a battle between the messages that manufacturers and health systems try to associate with certain branded products.

However, if cost was not an issue, many health administrators would probably support the claims that producers make, as they only attack prominent brands because of fears that their budgets are too small to meet all of the legitimate patient needs that these products could meet.

Health administrators often attempt to promote savings in their medicines bills by encouraging the substitution of off patent, branded products with cheaper generic alternatives.

By promoting such switches, they are assuming that branded products do not produce extra benefits that warrant their extra costs. Again, this line of reasoning fails to acknowledge the benefits associated with branded drugs, for example, increased R&D expenditure and greater familiarity by the prescriber and the patient.

Therefore, anti-branding in this context may not only be a choice for cheaper, generic drugs but also a decision not to fund the extra benefits associated with a branded product.

Anti-branding antidote

Rather than holding with the naïve view that branded products are bad products, health service personnel should instead examine the rationale behind the branding process and then explore the benefits that it may produce.

Indeed, branding is not designed to maximise drug company profits but is meant to ensure that potential users of new drugs are aware of the benefits they offer.

Branding is not about making money but about helping consumers choose the most appropriate pharmaceutical for them, given their needs.

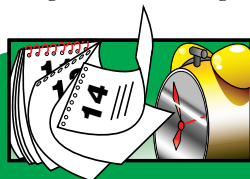
Is the industry listening?

The message from this article is clear: if you sell innovative, branded medicines, don't let health administrators diminish their value by inappropriately comparing them with lesser, dissimilar products.

Indeed, once you have established strong brands, refuse – at all costs – to participate in any anti-marketing activities that may undermine the uniqueness of your drugs.

THE AUTHOR

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Diary

EVENTS AND MEETINGS FOR THE COMING MONTHS

JANUARY

- **23-24 PHARMACEUTICAL BUSINESS INTELLIGENCE 2001**
Forum Park Hotel, Geneva Contact Vision in Business **Tel: 020 7256 5188**
- **25 MAXIMISING BRAND SUCCESS FROM PRE-LAUNCH TO POST-PATENT**
Hurlingham Club, London Contact Thomas Lee at Isis Research **Tel: 020 8788 8819**
- **30-31 DELIVERING BETTER HEALTHCARE – ABHI BIENNIAL CONFERENCE**
Institute of Child Health, London Contact Jo Amos at IBC UK **Tel: 020 7453 5492**

FEBRUARY

- **14-15 DIRECT-TO-CONSUMER PHARMACEUTICAL MARKETING**
Dorchester Hotel, London Contact Access Conferences International **Tel: 020 7840 2700**
- **15-16 EUROPEAN GENERIC MEDICINES ASSOCIATION (EGA) 3rd ANNUAL CONFERENCE**
Le Meridien, London Contact Management Forum **Tel: 01483 570099**
- **19-22 MARKETING PHARMACEUTICAL PRODUCTS**
Management Centre Europe, Brussels Contact Betsy Heris at MCE **Tel: 0032 2543 2121**

MARCH

- **6-9 ANNUAL EUROMEETING 2001: A PHARMACEUTICAL ODYSSEY**
Catalonia Palace, Barcelona Contact Miss Blackmore at DIA **Tel: 0041 61 386 9393**
- **28-29 MASTERING HEALTH TECHNOLOGY ASSESSMENT**
Mayfair Conference Centre, London Contact IIR Limited **Tel: 020 7915 5055**